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TAGS: [PARM](#) [PREL](#) [ETTC](#) [IR](#) [CH](#) [KSCA](#) [MTCR](#)

SUBJECT: (S) CHINA URGED TO INVESTIGATE AND CEASE LIMMT'S
SALES OF DUAL-USE MATERIALS TO IRAN

REF: A. STATE 111099
[1](#)B. BEIJING 5237

Classified By: Political Minister Counselor Aubrey Carlson.
Reasons 1.4 (B) and (D).

[1](#)1. (S) Following up on the Ambassador's August 9 demarche to Assistant Foreign Minister Cui Tiankai in which the Ambassador specifically noted the proliferation activities of the Chinese company LIMMT/Sunny Dalian (ref B), Poloff met with MFA Arms Control Missile Division Deputy Director Yu Dunhai August 10 to urge China to investigate and prevent LIMMT's transfers to Iran of dual-use materials, particularly a shipment of MTCR-controlled graphite cylinders scheduled for transfer as early as mid-August. In addition to delivering ref A talking points, Poloff stressed the exacting detail and prodigious volume of LIMMT-related information we had passed to the MFA in the last eighteen months. Poloff noted that LIMMT's prolific sales of dual-use materials to a UNSCR 1737-listed entity are well documented and urged the PRC to share with us the results of its investigation as soon as possible.

[1](#)2. (S) China's investigation into the LIMMT matter is ongoing, Yu said. Yu claimed that not only has LIMMT already been punished for its illegal activities, but LIMMT's "license has been revoked," and temporary regulations have been "promoted" to improve monitoring of graphite exports in general. Pressed for details on what license was revoked and what kind of punishment LIMMT had received, Yu declined further comment, saying he does not know any of those details. Yu recommended we address these questions to our regular nonproliferation interlocutor, Missile Division Deputy Director Wang Daxue, the following week. Yu told us Wang is preparing for the August 13 Nonproliferation Dialogue and was unavailable to meet.
RANDT

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